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REPORT NO.

DATE DISTR.

CS

COUNTRY West Germany/Communist China

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August - Early September 1969

SUBJECT

West German Ship Captain's Description of Situation in Chinese Ports during August and September 1968

ACQ

Germany, Bonn (September 1968)

FIELD NO. EGN 4033

SOURCE

A West German businessman with regular direct access to businessmen engaged in trade with China. He obtained the information in this report from Captain Hirschhausen of the <u>Rickmers ship line</u>, who made the trip described below. It is believed to be an accurate account of Captain Hirschhausen's statements.

- 1. Captain Hirschhausen scopped at the ports of Shanghai, Singkiang, and Dairen between the end of July and mid September 1968. (Source Comment: The Rickmers line is the only line which regularly sails the Europe-China route. The line has six ships, each of which should, for financial reasons, make the run at least three times a year. Each ship travels the route only twice annually, however, which is one of the reasons for the financial difficulties in which the line presently finds itself. The head of the firm, Claus Rickmer, has a good reputation with the Chinese, but tariff and trade negotiations are difficult, and otherproblems have been encountered, such as arrests of the seamen, confiscation, and unnecessary delays in loading and unloading. The Chinese have also been unwilling to assume any responsibility for difficulties caused by unrest which was a part of the Cultural Revolution.)
- 2. Hirschhausen arrived in Singkiang Harbor on 25 August, but had to anchor outside the harbor for almost thirty days and then was anchored inside the harbor for another two weeks because the ship could not be serviced because of transportation difficulties and lack of workmen. Every morning a delegation of Chinese boarded the ship and held political discussions for two to three hours on the teachings of Mao. Shrill female voices broadcasted Mao propaganda in all languages over loudspeakers in the harbor for many hours. This

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route is unattractive for seamen. They must be back on board ship by midnight, and any rough handling of a Chinese by seamen or non-observance of Chinese propaganda results in immediate arrest. Free movement is possible within the city, but not outside it.

- 3. The Chinese use any pretext to make difficulties, but once a confession is signed and Mao praised, everything is forgotten and the problems are solved. Even if the charges are absurd, it is easier to do what the Chinese require, so that business can in some way be carried on. Hirschhausen said that he is regarded as a good Communist in the harbors and that as a result his treatment is better if difficulties arise. His predecessor, however, who has since retired because he could no longer stand arrests and harrassments, had a more difficult time because he would not acknowledge Mao in order to be left in peace.
- 4. Hirschhausen believes that of all the ships engaged in China trade, between sixty and seventy percent are Greek. They also sail on China's rivers.
- 5. While his ship was docked at Dairen in late August and early September 1968, Hirschhausen saw about twenty-five persons of various ages who had been hanged in the vicinity of the harbor. They had been publicly denounced and maltreated before their hanging. When he asked what their crime had been, he was told that they had once collaborated with the Japanese, that they had been Japanese agents and had been hiding out ever since until they were discovered during the Cultural Revolution. When it was pointed out to them that some of the people would have been children during World War II, the Chinese made no reply. Hirschhausen said that he had found ships' controls greatly increased over what they had been earlier, particularly in Dairen. He said that while he had seen a few individual Red Guards in Dairen, there were not many and the wall posters were down.
- 6. According to Captain Hirschhausen, propaganda about Mao seems to have increased, both toward visitors and toward the Chinese. It is principally directed at the workers in the factories. A noticeable conflict seems to have arisen between the younger workers and the older generation. The visitor to China also gets the impression that propaganda attacks on the Soviet Union have become sharper and more frequent and that the "enemy no." one" for China is not the United States but the Soviet Union. Daily political education courses lasting from two to three hours are given to the ships' crews; even the captain has to participate. Politics and propaganda take precedence with the Chinese over the country's economic interests.

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7. Ship construction is being intensified in China, and more are being built, especially motor bonts. Ships over 15,000 tons are not built on Chinese docks, but one 15,000 ton ship is now being built as a one-of-a-kind model. The purchase of foreign-built ships is also increasing in order to build up the Chinese trade fleet and make China more independent. The ship "Etha Rickmers" was sold to China two years ago at a favorable price and sails from Hong Kong under the name of "Friendship" in Chinese ciphers. "Etha Rickmers" was used by the Chinese as a model for other ships. All the insignias of former owners have been removed, and it has been made to look like a Chinese-built ship. Hirschhausen said he had seen the "Etha Rickmers" in Singapore. Chinese ships or ships under Chinee charter receive strict instructions from the Chinese to load goods in German harbors which were originally contracted for the Rickmers line. The line is powerless to do anything about this if it wants to continue trading with China. Claus Rickmers acknowledges this treatment, which the Chinese call "positive political-ideological support of the new China", and he thinks he serves his line better if he were to argue about the contracts. The name of Rickmers is still in good standing in China, and Rickmers hopes that patience and cooperation with the Chinese will pay off.

8. Field Dissem: None. (Also sent

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